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BEFORE THE ARIZONA CORPORATION COMMISSION 2001 SEP 15 A 10: 40

COMMISSIONERS

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KRISTIN K. MAYES, Chairman **GARY PIERCE PAUL NEWMAN** SANDRA D. KENNEDY

SPRINT COMMUNICATION COMPANY L.P.: ARIZONA C.C. TARIFF NO. 3 – TOLL FREE 8YY TRANSIT TRAFFIC SERVICES

Arizona Comparation Commission

SIP 15 2009

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Docket No. T-02432B-09-0401 **MOTION TO SUSPEND**

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MOTION OF AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC. TO SUSPEND AND/OR REJECT PROPOSED TARIFF REVISIONS

AT&T Communications of the Mountain States, Inc. and its affiliates operating in Arizona ("AT&T"), pursuant to A.R.S. §§ 40-250 and 40-367, move that the Commission suspend and/or reject the tariff revisions filed by Sprint Communications Company L.P. on August 21, 2009. A memorandum in support of this motion is attached.

RESPECTFULLY SUBMITTED this 15th day of September, 2009.

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MEMORANDUM IN SUPPORT OF MOTION OF AT&T COMMUNICATIONS OF THE MOUNTAIN STATES. INC. TO SUSPEND AND/OR REJECT PROPOSED TARIFF REVISIONS

AT&T Communications of the Mountain States, Inc. and its affiliates operating in Arizona ("AT&T") request that the Commission reject or, at a minimum, suspend for further investigation the proposed tariff revisions filed by Sprint Communication Company L.P. ("Sprint") to introduce Toll Free 8YY Transit Traffic Service. Sprint filed its proposed tariff on August 21, 2009 and requests that the tariff become effective October 1, 2009 (the "Proposed Tariff"). Sprint's proposed Toll Free 8YY Transit Traffic Service transports toll free traffic originated by a third party that is not an end user or other user of Sprint's local exchange or exchange access service through its wire center to an IXC customer.

As an interexchange carrier, AT&T is required to pay intrastate switched access fees to competitive local exchange carriers, such as Sprint, when providing toll-free 8YY service in Arizona. Any additional costs incurred as a result of Sprint's Proposed Tariff may effect how AT&T provides services in the state. Thus, AT&T has a substantial interest in ensuring that access fees, including toll-free 8YY transit charges and directly related 8YY query charges, are reasonable, accurate and consistent with the public interest.

In the Proposed Tariff, Sprint's descriptions of how and in what circumstances it will apply charges for its services are vague, ambiguous or nonexistent. As a result, it is impossible to determine whether the new services are appropriate, the proposed rates are reasonable or whether they are in the public interest. The Proposed Tariff would appear to directly and adversely affect customers of AT&T, as well as the company itself. For those reasons, as discussed more fully below, the Commission should reject or suspend for further investigation Sprint's proposed tariff revisions.

1. Sprint's Proposed Tariff Would Impose Added and Unnecessary Costs.

Traditionally, toll-free 8YY traffic has been routed from a wireline or wireless originated end office to a local exchange carrier tandem located in the same LATA in which the call originates. The tandem provider queries the toll-free 8YY database to identify the toll-free service provider for each call and routes that call in an efficient and cost effective manner to the toll-free service provider. In most cases, Arizona originated toll-free 8YY traffic only has to utilize a single tandem in the call flow to complete the query and routing functions for toll-free 8YY calls.

The toll-free 8YY Transit Traffic Service contained in Sprint's Proposed Tariff inserts additional tandems and a higher query cost into an existing call flow, increasing the cost to the IXC, without adding any efficiency or cost benefit.¹ Instead of introducing a competitive service offering resulting in a lower cost alternative, Sprint's Proposed Tariff inefficiently duplicates an already existing process and unreasonably adds additional costs for tandem switching and database query² to the costs currently paid by Arizona toll-free 8YY customers without adding any benefit.

In principle, network aggregation, as proposed by Sprint, can reduce costs for carriers and should benefit end users. However, Sprint's aggregation service does not allow carriers to reduce cost by eliminating multiple points of interface and supporting interconnection facilities in and

¹ This occurs when 8YY traffic is routed from a third party, such as Sprint/Nextel, to the Sprint Tandem (which is likely located in Fort Worth, Texas) where Sprint will query the toll-free 8YY database to identify the toll-free service provider so Sprint can send the call back to the Arizona incumbent local exchange carrier tandem located in the same LATA in which the call originates. This will result in IXCs being forced to pay for a second tandem and its associated costs, as well as a higher toll-free 8YY query rate.

² While not a part of this instant filing, AT&T recommends that if the Commission allows the Proposed Tariff to become effective, it should not do so until it has had an opportunity to review Sprint's rate for a Toll Free Database Access Service (TFDBAS) Database Query. Such a review should ensure the impact of larger traffic volumes attributable to traffic aggregation is reflected in a revised TFDBAS Database Query rate.

across LATAs, instead it will drive a higher cost per toll-free 8YY call when compared to the same access and query services provided today for toll-free 8YY traffic.

Although Sprint claims it is introducing its toll-free 8YY Transit Traffic Service as a new service, this type of function is not new to the industry. It is being offered today by other telecommunications carriers at much lower cost to AT&T and other IXCs. It is unreasonable that Sprint can inject itself into an existing call flow and drive higher cost for AT&T, when AT&T cannot reject Sprint's offering because of regulatory restrictions prohibiting call blocking, nor choose to stay with the existing lower cost toll-free 8YY aggregation function offered by Sprint's competitors. Sprint should not be allowed to take advantage of the fact that AT&T and other IXCs are captive customers in this type of network arrangement. Sprint's attempt to impose added and unneeded costs through this tariff filing will, if permitted, only place upward pressure on retail end users toll prices.

2. <u>Disaggregation Is Needed To Avoid Overbilling.</u>

The Proposed Tariff contains aggregated rates that combine multiple rate elements.

Section 8.2.8, footnotes "#" and "##" detail the components used in calculating the per access minute rate to be assessed for a direct or indirect connect for Toll Free 8YY Transit Traffic Service. Footnote "##" states: "Toll Free 8YY Transit Traffic — Indirect Connect is comprised of Tandem Switched Transmission, which includes Tandem Transport Termination (fixed) and Tandem Transport Mileage (10 miles); Tandem Switching, and Common Transport Multiplexing." While the elements that make up the aggregated rate were provided, the method, as well as the individual rates used to calculate the blended rate were not explained in the filing, nor contained in the tariff. At a minimum, the aggregated rates for this service should be disaggregated to ensure that only those parts of the blended rate applicable to particular

circumstances are charged. Without disaggregating, it would be impossible to ensure Sprint does not charge for services or functions it does not perform.

3. The Proposed Direct Connect Description is Confusing and Unreasonable.

The Proposed Tariff specifies that IXCs are provided the option to directly connect to the company's (i.e. Sprint's) switch via a Direct End Office Trunk (DEOT). See Section 6.1.2(F). AT&T interprets this section to mean that tandem transport usage is not involved with this routing option. However, directly below this paragraph, at Section 6.1.2(F)(1) and in footnote "#" at Section 8.2.8, Sprint proposes to charge tandem transport rate elements such as: "one-half Tandem Transport Termination (fixed) and Tandem Transport Mileage (1 mile); Tandem Switching; and one-half Common Transport Multiplexing." These tandem transport elements should not apply if, as indicated above, the connection is at Sprint's DEOT which would not involve any tandem transport function performed by Sprint. Sprint should be compensated only for the functions it performs.

4. The Filing Does Not Include Information To Ensure 8YY Toll Free Calls Are Accurately Categorized To The Correct Jurisdiction And Billed Correctly.

The filing does not include any information to ensure that toll-free 8YY calls are categorized to the correct jurisdiction -- interstate or intrastate -- and billed correctly. When a carrier, such as Sprint, aggregates toll-free 8YY calls, it does not know the destination of that call. It therefore cannot determine the jurisdiction (Interstate or Intrastate) of toll-free 8YY calls from its own network call recordings. This issue exists for all toll-free 8YY traffic across the industry. Sprint must rely on jurisdictional reports provided by AT&T, an 8YY service provider, to classify toll-free 8YY traffic and bill appropriate intrastate rates.

This filing should clearly delineate how Sprint will accurately account for and jurisdictionalize third party intrastate toll-free 8YY aggregated traffic, so that the proposed

accurately in Sprint's jurisdictional reports.

intrastate toll-free 8YY transit rates are not applied to interstate traffic.

Conclusion

Because of the issues and concerns raised above, the Proposed Tariff should be rejected or at least suspended until such time as the Commission has had an opportunity to address these issues and concerns. It is not AT&T's intent to unreasonably delay the processing of this filing. But, as a result of these and other potential questions, it is not possible to determine whether the Proposed Tariff and rates contained therein comply with applicable statutes, Commission rules and are in the public interest. AT&T pays Sprint both originating and terminating intrastate switched access rates on intrastate interexchange calls placed by their customers and has a significant interest in ensuring that Sprint's intrastate switched access rates are lawful and appropriate. AT&T respectfully requests, therefore, that the Commission reject or, at a minimum, suspend Sprint's Proposed Tariff for further investigation.

Jurisdictional reports produced by AT&T for Sprint will not include any third party

aggregated toll-free 8YY traffic associated with this new service because the call detail will be

associated with the third party originating the call and not Sprint. The network call recordings for

toll-free 8YY originated traffic only identify the originating carrier of a call. As a result, toll free

8YY traffic aggregated from other carriers in or out of the state of Arizona will not be reflected

RESPECTFULLY SUBMITTED this 15th day of September, 2009. 1 2 3 4 Garry D. Hays The Law Offices of Garry D. Hays PC 1702 East Highland Avenue, Suite 316 5 Phoenix, Arizona 85016 6 Attorney for AT&T 7 Original and 13 copies filed this 15th day of September, 2009, with: 8 **Docket Control** 9 Arizona Corporation Commission 1200 West Washington Street 10 Phoenix, Arizona 85007 Copies of the foregoing delivered this 15th day of September, 2009, to: 11 12 Maureen Scott 13 Legal Division Arizona Corporation Commission 1200 West Washington 14 Phoenix, Arizona 85007 15 Terri Ford 16 **Utilities Division** Arizona Corporation Commission 17 1200 West Washington Phoenix, Arizona 85007 18 Pamela Genung **Utilities Division** 19 Arizona Corporation Commission 1200 West Washington 20 Phoenix, Arizona 85007 21

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Copy of the foregoing mailed this 15th day of September, 2009, to:

Ann Thompson Sprint Nextel 6450 Sprint Parkway Overland Park, Kansas 66251

Helay Ableser